

ANNUITY SHOPPER .com

Contracting Forms

Please complete the following contracting package and FAX to
866-866-2232 (toll-free) or 732-521-5113

If you have any questions or changes to existing contracts, please contact
Hersh Stern at 877-206-8141.

AnnuityShopper.com
28 Harrison Ave.
Bldg. D, Suite 209
Englishtown, NJ 07726

Phone: 877-206-8141

www.annuityshopper.com



Fax completed forms to 866-866-2232 with a copy of your license(s) and evidence of E&O coverage.

Questions? Call Hersh Stern at 866-866-1999

2106/2100 AGENT'S CONTRACTING CHECKLIST

Instructions for signatures needed on the contracts are indicated below. We will fill in all other blanks on the contracts when received. Please do **NOT** fill in any dates on the contracts.

Your appointment with Lafayette Life will be effective on or about the same date as your first submitted life or annuity application. Licenses and Error and Omissions certificates must be current at that time.

When do you expect to take your first application? _____
(date app expected to be signed)

1. _____ Agent's Business Background Summary to be completed in detail and signed as applicant. GA must sign as the General Agent.
2. _____ Agent's Contract - Sign page **#4**. Beneficiary page **#5** indicate Primary & Contingent Beneficiaries, Social Security numbers, dates of birth, relationship and sign.
3. _____ Page **#16** Assignment of Agent to GA to be signed by the GENERAL AGENT.
4. _____ Agent's Responsibilities - read, sign & date.
5. _____ Daily Commission Payment - indicate amount.
6. _____ Electronic Funds Transfer is Lafayette Life's preferred method of commission payment. Complete, sign and return the EFT form with a voided check from the account you wish to use.

ADDITIONAL ITEMS REQUIRED FOR CONTRACTING

7. _____ Send copy of current resident license (required for all states).
8. _____ Send proof of your Errors & Omissions coverage - declarations page.
9. _____ Send recent proof of anti money laundering training from another certifying organization, if not completed through LIMRA.

_____ YES or _____ NO In order to expedite the initial processing of your contract, are there any issues affecting your credit history?

Please forward everything directly to your Regional Sales Vice President.

If you have any questions or if we can be of assistance, please contact your Regional Sales Vice President or the Contracting & Licensing Department, extensions 3244, 3645, 3468, or 3641.

CHECKLIST COMPLETED BY: _____
PLEASE PRINT YOUR NAME

THE LAFAYETTE LIFE INSURANCE COMPANY
(Company)

ASSIGNMENT OF AGENT TO GENERAL AGENT

General Agent's Name **HERSH STERN** _____ Date _____

-----> Agent's Name _____

Pursuant to its Contract with the General Agent, the Company assigns the above named Agent to the General Agent.

The Lafayette Life Insurance Company

By: _____
Vice President

CONSENT

General Agent consents to the Company's assignment of the above named agent to the General Agent pursuant to the terms of the General Agent's Contract.

Hersh Stern

General Agent

INSURANCE COMPANY OR OTHER AFFILIATIONS

Primary Life Company & H.O. Location	Date of Contract		Type of Contract	Name of Agy Mgr/MGA/IMO/RDA/GA or Supervisor
	From	To		
Previous Primary Life Company & H.O. Location				
Other Company(ies) & H.O. Location				

REFERENCES

BUSINESS List people unrelated to you, who know you, your operation, and will be able to verify information regarding your activities during the past 5 years.

NAME	ADDRESS (No. /St./City/State/Zip)	Phone	Occupation/Title/Employer
(1)		()	
(2)		()	

Personal Name of nearest relative not residing with you.

NAME	ADDRESS (No. /St./City/State/Zip)	Phone	Relationship
		()	

Bank List all accounts used personally in insurance business. (Attach additional sheets if necessary)

NAME	ADDRESS (No. /St./City/State/Zip)	Phone	Type of Account/Acct. No.
		()	

MY PROJECTED ANNUALIZED PAID LIFE PREMIUM DURING MY FIRST 12 MONTHS WITH LAFAYETTE LIFE WILL BE AT LEAST:

PERSONAL \$ _____ ; **BUSINESS \$** _____ ; **QUALIFIED \$** _____ ; **TOTAL \$** _____

CORPORATIONS

Does the corporation hold an insurance agent license in all states where it does business? Yes No (Attach copies of all corporate agent licenses)

Name _____ Tax ID: _____ State of Incorporation _____

Street: _____ City: _____ State: _____ Zip Code: _____

CERTIFICATION AND AUTHORIZATION

I certify that the information furnished above is true and complete and that I have not concealed any information. I understand that Lafayette Life will rely on this information in determining whether to offer a contract to me. I understand and agree that Lafayette Life may revoke any contract issued to me if any statement herein is incorrect and/or incomplete. I agree that I will immediately notify the Lafayette Life in writing in the event that I become convicted of, or plead guilty to, or enter a plea of no contest to a felony or misdemeanor subsequent to the date hereof, provided that I have an inforce agency contract with Lafayette Life.

I, the undersigned Applicant, hereby further authorize and request each of my former employers and each of the insurance companies with which I have ever been affiliated, including those listed in this report, to furnish to The Lafayette Life Insurance Company and any affiliated companies any information which such employer or insurance company possesses regarding me, including, but not limited to, all business production reports, compensation, premiums written and my business methods or practices. I release any former employer and/or insurance company from any liability by complying with a request for information pursuant to this authorization.

As part of our routine agency appointment procedure, an investigative consumer report, criminal records check, and state insurance reports may be obtained which will provide applicable information concerning character, general reputation, financial and professional status. This information may be obtained in part through TRW/Hooper Holmes/ Vector One, and personal interviews with your friends, neighbors, and associates. A photocopy of this signed authorization shall be as valid as the original. I understand and agree that Lafayette Life may share the above information and information collected as part of its routine agency appointment procedure with affiliated companies. I hereby release The Lafayette Life Insurance Company, its officers, directors, employees, agents, affiliates, successors and assignees from any and all claims and liability whatsoever arising from the collection, use and/or aforementioned sharing of the information requested by The Lafayette Life Insurance Company pursuant to this authorization.

Signature of Applicant

Date

Hersh Stern

Signature of General Agent (if other than applicant)

Date

Signature of Regional Sales Vice President

Date

Hersh Stern # 81303
WebAnnuities # 92698
Phone: 866-866-1999

AGENT'S CONTRACT

The Lafayette Life Insurance Company ("we", "us" or "our") and _____, Agent ("you" or "your"), enter into this Agreement at Lafayette, Indiana, effective as of _____, yr ____.

APPOINTMENT, AUTHORITY AND RELATIONSHIP

- 1. **Appointment.** You are appointed to act as our agent, subject to the provisions of this Agreement.
- 2. **Authority.** You are authorized to solicit applications for insurance and annuities sold by us and to service policies issued by us.
- 3. **Territory.** You may operate within any territory where you are duly licensed, but no territory is exclusively assigned to you.
- 4. **Independent Contractor.** You are an independent contractor. Nothing in this Agreement creates a relationship of employer and employee between us and you. You are free to exercise your own judgment, including the time, place and persons from whom you may solicit applications for insurance or annuities. We shall have no direction or control over your time or physical activities.
- 5. **Our Rules.** We reserve the right to prescribe, modify and publish written rules covering the conduct of our business. These rules are found in this Agreement, our Agents' Reference Manual, or our published field bulletins.

YOUR RESPONSIBILITIES

Our Rules. You shall observe our rules covering the conduct of our business.

OUR RIGHTS AND OBLIGATIONS

Specific Rights And Obligations. Specifically, without limitation, we shall have the right to reject applications for insurance or annuities without specifying cause. We shall also have the right to determine, in our sole discretion, that a policy which has been issued should be rescinded and/or cancelled and that the premiums paid for the policy be refunded. In such event, any commissions paid or credited to you, with respect to such policy, shall become your debt to us. Other rights and obligations of ours can be found in our Agents' Reference Manual or our published field bulletins.

COMPENSATION AND VESTING

When the term "Compensation" is used in this Agreement, it means the sum of commissions and service fees of any kind described in Section A, plus remuneration of any kind under any previous

contracts between you and us, which are payable under the provisions of this Agreement. We will vest and continue to pay first year commissions and all renewal commissions in policy years 2-10 to you on premiums paid, in accordance with the other provisions of this Agreement.

A. Commissions and Service Fees

1. **Payment of Commissions and Service Fees.** We shall pay you the commissions and service fees at the percentages set forth in the Schedule of Commissions and Service Fees attached to this Agreement, subject to the provisions of this Agreement. Those commissions and service fees shall be based upon premiums paid on policies produced by you while this Agreement is in effect.

2. **Special Rules for Commissions and Service Fees on Universal Life Policies.**

a. **Commission on Increases in Specified Amount.** Specified Amount is stated in a universal life policy. It is the amount of insurance provided by the basic policy on the primary insured's life and it may be increased as provided in the policy. An increase in Specified Amount means an increase in the amount of insurance on the life of the primary insured, but not a spouse or child, covered in a universal life policy. When an increase in Specified Amount occurs while you are receiving commissions or service fees on a universal life policy which you produced and while this Agreement is in effect, you will earn a single lump sum commission, which will be the total of (i) multiplied by (ii), multiplied by (iii):

- (i) the appropriate base commission percentage from the Chart of Compensation for Universal Life Specified Amount Increases; multiplied by:
- (ii) the target premium per \$1,000 of increase, excluding the quantity discount factor, at the attained age at the time of the increase; multiplied by:
- (iii) the number of \$1,000s of increase in Specified Amount.

b. **Commission on Increases or Additions in Optional Benefits.** When an increase occurs in the amount of insurance provided by any Optional Benefit, or when an Optional Benefit is added while you are receiving commissions or service fees on the

policy, you will receive an additional base commission. Such commission will be the appropriate percentage of the increase in the amount of the appropriate percentage of the increase in the amount of the target premiums and excess premiums for the benefit, or the monthly deduction for the Waiver of Monthly Deduction Rider (which is listed in Item 1 of the Chart of Compensation for Waiver of Monthly Deduction Rider attached to this Agreement) during the first twelve months following the increase or the addition of an Optional Benefit so long as this Agreement remains in effect.

c. Commissions and Service Fees on Optional Benefits. We will pay commissions and service fees to you on a universal life policy you produce which contains an Optional Benefit either upon issue or when an Optional Benefit is later added to a universal life policy you produced. Commissions and service fees for an Optional Benefit other than a Waiver of Monthly Deduction Rider are based upon the target premiums and excess premiums paid for such benefit. Commissions and service fees on the cost of insurance deductions for Waiver of Monthly Deduction Riders will be paid at monthly deduction time in the percentages shown in the Chart of Compensation for Waiver of Monthly Deduction Rider on a Universal Life Policy, attached to this Agreement. You will receive a base commission on each Optional Benefit contained in a policy you produced.

Except as provided in paragraph b above, base commissions begin only when an Optional Benefit is added to such universal life policy during the first ten policy years, and they will cease at the end of the tenth policy year. Beginning with the eleventh policy year, we will pay corresponding base service fees to you for such Optional Benefits so long as this Agreement remains in effect.

3. Additional Rules For Commissions and Service Fees on All Types of Policies.

a. Service Fees. Service fees will be paid only while you are actively servicing the policies and while this Agreement remains in effect, except as otherwise provided in the **Vesting of Service Fees** provision of this Agreement.

b. New Products. We shall determine the percentage of commissions and service fees payable on all new policies, riders or other products we issue after the effective date of this Agreement. We shall publish the commissions and service fees payable when any new policy, rider or product is made available for solicitation.

c. Group Insurance. Compensation on group insurance policies shall be specified by separate contract between you and us.

d. Substandard and/or Special Class Policies; Group Conversions. We shall determine and publish the percentages of commissions and service fees payable on substandard and/or special class policies and group conversions.

e. Reinstatement of Lapsed Policy. We shall determine and publish the percentages of commissions and service fees payable on any lapsed policy which is reinstated by you, on which you are not the original producing agent. You shall

not be entitled to commissions or service fees earned on a lapsed policy originally produced by you, which is reinstated by another agent.

f. Waiver of Premiums or Monthly Deductions. No commissions or service fees not already paid and earned will be paid on any policy or Optional Benefits sold as riders during a period when premium payments or monthly deductions are being waived on account of disability, or for any other reason.

g. Internal Replacement. We have published rules concerning compensation to be paid on a policy which replaces an existing policy of ours. We reserve the right to change, modify or revoke the internal replacement rules at our discretion in the future. Policies produced by you, which become replacing policies of existing policies previously issued by us, will not earn compensation as provided in this Agreement. You will be paid the compensation, if any, provided in our published internal replacement rules which are then in existence.

Without limitation, we reserve the right to determine compensation when an application for a policy is procured which, in our sole judgment, is to take the place of a pre-existing policy or a policy terminated within 2 years prior to the issuance of the new policy or one year after the issuance of the new policy. Such compensation shall be determined by us at the time of issuance of the new policy, or at the time of the subsequent lapse or surrender of the pre-existing policy.

When a policy becomes a replacing policy, after we have already paid compensation to you on such policy, compensation paid on such policy in excess of the compensation provided for in our internal replacement rules shall become your debt to us and shall be collectible as provided in this Agreement.

h. Reduced Commission on Guaranteed Issue Life Insurance. We have published rules for issuing life insurance without individual underwriting of the life insurance risk. We reserve the right to change, modify or revoke the guaranteed issue rules at our discretion in the future.

We may agree to issue certain policies under the guaranteed issue rules on applications solicited by you or by any agent while assigned to you. You acknowledge and agree that if we issue any amounts of life insurance under the guaranteed issue rules, we shall reduce the first year commission percentages on premiums paid on life policies other than universal life, and the target commission percentages on the Target Premiums paid on universal life policies. Such reduced commission percentages are set forth in the Schedule of Commissions and Service Fees. We reserve the right to change the reduced commission percentages at our discretion in the future. Such change will be effective on applications submitted after notice to you of the change.

B. Our Minimum Expectations for Production and Persistency

We expect you to produce not less than \$8,000.00 of NAFYAC during any 12 month period. We also expect your 36 Month Current Persistency or your

partial period persistency, based on our published formula, when less than 36 months production is available, to be not less than 80%.

INDEBTEDNESS

1. **Set-Off And Lien.** We shall have the right to deduct from and set-off against any compensation or other amounts payable under this Agreement or any previous contracts between you and us, amounts necessary to pay or partially pay any debt to us now due or later becoming due from you. We shall also have a first lien on compensation or other amounts payable to you by us, to secure repayment of any such debt. Our set-off and lien rights shall continue after termination of this Agreement.

2. **Payment On Demand; Interest.** Any debts you owe us shall be payable to us on demand. Such debts shall bear interest after demand at the rates specified by us from time to time in the Agents' Reference Manual, but not to exceed the maximum non-usurious rate permitted by law. If it becomes necessary for us, in our sole judgment, to employ outside counsel to collect any debts you owe us, you shall be responsible for all attorneys' fees, costs and expenses which we incur.

TERMINATION OF AGREEMENT

1. **Without Cause.** You may terminate this Agreement without cause by giving us thirty (30) days' prior written notice. Likewise, we may terminate this Agreement without cause by giving you thirty (30) days' prior written notice.

2. **For Cause, With No Further Compensation Payable.** We shall have the right to terminate this Agreement immediately, upon written notice to you, and no further compensation will be payable, if:

- a. You violate any insurance law or regulation, or state or federal criminal law; or
- b. You fail to remit promptly and fully all monies due us from you or all monies paid to you by an applicant or policyholder as premiums for any policy; or
- c. You induce any policyholder of ours to discontinue the payment of premiums or to surrender any policy issued by us, in violation of our published rules on external replacement.

3. **Effect Of Termination Of Agreement.** Termination of this Agreement shall not impair any right or remedy we may have against you under this Agreement or any previous contracts between you and us.

4. **Use of Our Materials After Termination.** Immediately after termination of this Agreement, you shall stop using any advertising, stationery, circulars or software bearing our name or logo, describing our policies or referring to your connection with us. You shall also stop using our Agent's Reference Manual,

applications, printed forms, licenses, records and supplies.

COMPENSATION AFTER TERMINATION OR DEATH; VESTING OF COMMISSIONS AND SERVICES FEES

1. **After Termination.** After termination of this Agreement, we will vest and continue to pay first year commissions and all renewal commissions in policy years 2-10 to you on premiums paid, in accordance with the other provisions of this Agreement, subject to the following limitations:

- a. No further payments will be made after the total of all compensation paid in any previous calendar year falls below \$300.
- b. No service fees will be payable, except as provided in the **Vesting of Service Fees** provision of this Agreement, paragraph 3, below.
- c. No compensation will be payable if we terminate this Agreement under the **For Cause, With No Further Compensation Payable** provision.
- d. At any time after termination of this Agreement, if you induce any policyholder of ours to discontinue the payment of premiums or to surrender any policy issued by us, without our written approval after full disclosure of the circumstances, we shall have the right to terminate payment of all future compensation under this Agreement. Our rights under this provision shall continue after termination of this Agreement.

2. **After Death.** If you die at a time when compensation is payable under this Agreement, we shall continue to pay the following items of compensation after your death, but only as long as the total of such compensation payable in any one calendar year is not less than \$300:

- a. commissions which accrued but were not paid before your death;
- b. commissions which accrue after your death;
- c. service fees which accrued but were not paid before your death; and
- d. service fees which are vested under paragraph 3, below, which accrue after your death.

Such compensation shall be paid to the beneficiary or beneficiaries designated by you in this Agreement, or to the survivor or survivors among them if living. Should the last survivor die before payment of all compensation payable under this Agreement, the remainder of such compensation shall be payable to the estate of the last surviving beneficiary. If no designated beneficiary survives you, then any compensation payable in accordance with the provisions of this Agreement shall be payable to your estate.

3. **Vesting of Service Fees.** If this Agreement is terminated without cause at a time when the sum of your age plus the number of years you have been under contract with us as an agent or general agent equals or exceeds eighty-five (85), we will continue to pay service fees to you on policies produced by you, until such policies lapse or terminate for any reason. Such service fees will be paid in accordance with the other provisions of this Agreement, subject to the limitations set forth in paragraph 1, above, concerning payment of compensation after termination.

INDEMNITY; LEGAL PAPERS

1. **Indemnity.** You shall indemnify and save us harmless against, or from, any and all causes of action, damages, losses, fees (including attorneys' fees), costs and expenses, whether by judgment, settlement or otherwise, resulting from or growing out of any fault or unauthorized act by you or your employees.

2. **Legal Papers.** If any papers are served upon you in connection with any legal proceeding which actually or potentially may involve us, you shall transmit copies of those papers to us immediately.

NOTICE

1. **To Us.** Written notice to us shall be delivered personally or mailed postage pre-paid, addressed to the President or to a Marketing Vice President at our Home Office, 1905 Teal Road, P.O. Box 7007, Lafayette, IN 47903-7007.

2. **To You.** Written notice to you shall be delivered personally or mailed postage pre-paid to you at the address shown below your signature in this Agreement, or to such other address as you may give us in writing. However, where specifically provided in this Agreement, we may give you notice by publication in our Agents' Reference Manual or our field bulletins. If notice is given by publication, it will be deemed to have been given whenever published by us.

3. **Electronic Notice.** Notwithstanding any term or condition to the contrary, any written notice to you may be transmitted electronically, either (a) via e-mail to you at your last known e-mail address on our records, or (b) via publication electronically by posting to our website at www.LafayetteLife.com, either as a Special Bulletin, or as otherwise part of the Agent Reference Manual applicable to you, or as an electronic record specifically referencing that it is a notice to agents. All notices under (a) shall be deemed given on the date of the electronic mailing. All notices under (b) shall be deemed given on the date of the electronic posting to our website.

NO WAIVER

Our neglect or failure to require the performance of any provision of this Agreement by you, or our neglect or failure to take advantage of any of our rights and privileges under this Agreement, shall not constitute a waiver of any of our rights or privileges or a waiver of our right to require performance of any provision of this Agreement in the future.

NO ASSIGNMENT

No assignment by you of this Agreement or of any compensation payable under this Agreement shall be valid unless approved by us.

GOVERNING LAW

1. **Indiana Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Indiana.

ENTIRE AGREEMENT

1. **Sole Agreement.** This Agreement, which includes the attachments, our Agents' Reference Manual and our published field bulletins, represents the entire understanding between you and us. Any and all prior representations, statements or agreements between you and us, whether oral or written, are merged into this Agreement.

2. **Amendment.** This Agreement may be amended only by us, in writing, effective upon notice to you.

3. **Supercedes Previous Contracts.** This Agreement terminates and supercedes any previous contracts between you and us as to all business transacted on or after the effective date of this Agreement. However, your right to commissions, allowances (other than a profitability allowance) and service fees on policies issued on applications submitted to us under any previous contracts, and our rights concerning any debts to us incurred by you under any previous contracts, still exist. Your right to service fees under any previous contracts shall end upon termination of this Agreement, unless you qualify for vested service fees under the **Vesting of Service Fees** provision of this Agreement. You shall have no right to a profitability allowance or bonus of any kind under any previous contracts. This Agreement shall take effect as of the effective date stated on page 1, if duly signed by you and countersigned on our behalf by a Vice President.

THE LAFAYETTE LIFE INSURANCE COMPANY

By: _____
Vice President

AGENT

Signature

Address

Agent's Responsibilities

CONTRACT, AUTHORITY, AND CONDUCT OF BUSINESS

CONTRACTS AND LICENSES - No Agent is permitted to solicit business until he or she is licensed and contracted with The Lafayette Life Insurance Company (the "Company").

SOLICITATION - In states where required, an agent shall inform the prospective purchaser, prior to commencing a life insurance sales presentation, that he or she is acting as a life insurance agent and inform the prospective purchaser of the full name of the insurance company which the agent is representing to the buyer.

OUT OF STATE MAIL SOLICITATION - Taking applications by mail outside the primary state of license is permitted only when it involves a CURRENT Lafayette Life policyowner for whom the Agent has written prior coverage and who has moved out of the Agent's state life license. A medical examination and Telecom Report will be required for all applications taken by mail. For a nonresident license - contact the Marketing Department.

INTERNET ACCESS AND ELECTRONIC COMMUNICATIONS - You hereby acknowledge and agree that the Company may provide written notices and other communications electronically via e-mail or by posting to the Company website at www.LafayetteLife.com. Additionally, many Company forms are available to agents through the Company's website. Consequently, Agent's must maintain internet access and an e-mail address and immediately provide the Company with their e-mail address and notice of any changes thereto.

AUTHORITY OF AGENTS - Agents of the Company are authorized to solicit applications for insurance on such plans as are offered by the Company, to collect the initial premium on such business for prompt transmission to the Company, and to perform such other duties as the Company may from time to time require.

Agents are not authorized to accept risks of any kind; to make, modify, or discharge contracts; to extend the time for paying any premium; to waive forfeiture; to bind the Company by any statement, promise or representation; or to employ counsel to represent the Company.

MARKET CONDUCT - Agents of the Company shall adhere to the Principles and Code of Ethical

Market Conduct. Consult your Agent's Reference Manual for a complete description of Company's Principles and Code of Life Insurance Ethical Market Conduct.

In the event that you receive any communication primarily expressing a grievance that pertains to a Lafayette Life policy, the Company, your conduct or the conduct of agents while assigned to you, you must immediately report and send copies of such grievance to the Home Office. You will cooperate with any Company investigation of any grievance and promptly provide any documents, explanations or statements requested.

PRIVACY POLICY - Agents of the Company shall comply with the Company's policies and practices concerning the protection of customers' nonpublic personal information (Non Public Information) as defined in Title V of the Gramm-Leach-Bliley Act ("GLB"). Agents agree that they will use or disclose Non Public Information that they receive from or on behalf of the Company only for the purpose for which the Non Public Information was disclosed or as otherwise permitted under applicable federal or state laws or regulations. Agents shall maintain physical, electronic and procedural safeguards to protect Non Public Information. For additional information on the Company's GLB privacy policies contact the PRIVACY OFFICIAL, at The Lafayette Life Insurance Company, P.O. Box 7007, Lafayette, Indiana 47903.

POLICY DELIVERY - Agents may deliver policies only during the life and good health of the proposed Insured unless settlement of full initial premium has been made at the time of application and policy issued as applied for. Policies should always be delivered in person within 60 days from the date the policy was mailed from the Home Office.

ADVERTISING - Agents may not publish anything concerning the policies or business of this or any other Company, or to issue circulars of any kind, unless the proposed matter has been submitted to, approved and authorized by the Company in writing. All advertising and sales materials must be prepared by and/or approved by the Company. The Company's name may not be placed on any document in a manner suggesting

that the Company is the author, unless the document has been approved in its final form by the Company.

REBATING - In most states rebating is illegal and a violation of the rebating laws. Violations will subject the offender to serious penalties. The Company does not authorize or permit any agent to pay or allow, or offer to pay or allow, directly and indirectly, a rebate of any premium, or to grant any special favor or valuable consideration on any policy of insurance, either to the Proposed Insured for such policy or to any other person.

EXPENSES - The agent is not authorized to incur any expense on behalf of the Company or of any agent to which it is assigned, or to draw drafts on the Company.

CWA LIMITS - The Underwriting Department will accept cash with applications for face amounts up through \$1,000,000 (base plan plus term rider) for ages 0-70. Current insurance in force with the Company will be considered in determining the CWA limit for new business applications. Cash (check or money order) will not be accepted with application if the amount of insurance (including term rider and previous insurance) exceeds \$1,000,000 or if applicant is age 71 or over. The Conditional Receipt may not be detached from these applications. **All premium checks** for the policy (including the check for the initial premium) should be **made payable to The Lafayette Life Insurance Company** and should not be made payable to the Agent.

CONDITIONAL RECEIPT - Maximum limits are \$250,000 through age 70. California and Pennsylvania Field Associates must and all Field Associates are urged to bring the printed limits of liability to the attention of their applicants.

REPLACEMENT - The Company is interested in the sale of new insurance but not at the expense of existing insurance.

PREMIUM REMITTANCE - Initial premiums collected on delivery must be sent to the Home Office immediately. Normally, only an owner's check is acceptable for any premium payment. A money order or Cashier's Check may be used when necessary. **Agent or Agency checks will not be accepted.**

This summary highlights some of your key responsibilities as a Lafayette Life Agent. Consult your contract and Agent's Reference Manual for a more complete description of your responsibilities and Company rules. For purpose of this form, the term "Agent" includes the term General Agents, Agents, Independent Marketing Organizations, Marketing General Agents, Independent General Agents, and all other agents appointed by the Company.

I have read, understand and will comply with the above Responsibilities and all others set forth in my contract.

Applicant Signature: _____

Date: _____

AR

DAILY COMMISSION PAYMENT

You can receive commission checks as often as each weekday. Your total level of commission will accumulate until they reach the daily level that you have selected. The following are the daily minimum commission levels that you can select:

\$100	\$250	\$500	\$750
\$1,000	\$1,500	\$2,500	End of Month Only

Regardless of your selection, your commission statement showing all transactions during the month plus balancing all deductions and monies still due will be mailed to you on the fifth working day following the last day on the month.

If you have any questions concerning the selection of your minimum level you may contact your Regional Sales Vice Presidents or Agent's Accounts.

Please complete the information below and select your daily level of commissions.

TO: Contract & Licensing Coordinator, Marketing Department

FROM: _____

(Please print name)

Daily Commission Level: \$ _____

Date: _____



Marketing Department
765-477-7411
800-443-8793
765-477-3235 - Mktg. Fax
www.lafayettelife.com

AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER

AGENT NUMBER _____ DATE _____

WRITTEN SIGNATURE _____

I HEREBY AUTHORIZE LLIC TO: () START () STOP
Depositing my commission checks in my checking account, and to be effective in such time and such manner as to afford LLIC and Financial Institution a reasonable opportunity to act upon it.

BANK NAME _____

CITY _____ STATE _____ ZIP CODE _____

ACCOUNT NO. () CHECKING _____ (ATTACH BLANK SAMPLE VOID CHECK)

() MY COMMISSION CHECKS ARE NOW BEING DEPOSITED. CHANGE MY BANK, CHECKING ACCOUNT NUMBER AS SHOWN ABOVE.

It is agreed that The LLIC is relieved of any further liability for such payments or for the application of the funds after they have been transferred in accordance with this authorization.

The financial institution referred to above shall incur no liability for the application of funds after deposit to my account, other than normal banking liabilities. Because of the continual fluctuation in exchange rates, this needs to be in a US Bank.

In the event that an entry is incorrectly initiated to my account, I also authorize The LLIC to initiate a reversing entry.

This authorization may be discontinued by my written request or upon termination.

SEND AUTHORIZATION FORM AND VOIDED BLANK CHECK TO: AGENT'S ACCOUNTS DEPT.

COMPLETE / SIGN and FAX this page to 866-866-2232

BENEFICIARY FORM

I name the following Beneficiary(s) to receive any compensation due after my death as provided in the Agreement and I revoke all prior designations.

PRIMARY BENEFICIARY:

Name	Social Security Number	Date of Birth	Relationship
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CONTINGENT BENEFICIARY(S):

Name	Social Security Number	Date of Birth	Relationship
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Name	Social Security Number	Date of Birth	Relationship
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Name	Social Security Number	Date of Birth	Relationship
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Name	Social Security Number	Date of Birth	Relationship
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Name	Social Security Number	Date of Birth	Relationship
------	------------------------	---------------	--------------

Name	Social Security Number	Date of Birth	Relationship
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If no designated beneficiary survives me, the sum payable shall be paid to my estate.

If more than one beneficiary is named in a class, you shall make payment in equal shares to the beneficiaries named, or to the survivor(s) among them. Upon the death of the Primary Beneficiary, or should the Primary Beneficiary not survive me, payments, if any, shall be made to the Contingent Beneficiary(s), if living. Should the Beneficiary(s) entitled to receive payment under this designation survive me but die before all payments have been made, then the remaining payments shall be paid to the estate of the last-to-die of the Primary and Contingent Beneficiary classes.

Date: _____

Agent's Signature

Business Mailing Address

Spouse's Signature (where required by law)

SCHEDULE OF COMMISSIONS AND SERVICE FEES
(Expressed as a percentage of premiums paid)

	FIRST YEAR COMMISSIONS First Policy Year	RENEWAL COMMISSIONS Policy Yrs 2 & 3	RENEWAL COMMISSIONS Policy Yrs 4-10	SERVICE FEES Policy Yrs 11 & after
	<u>Base</u>	<u>Base</u>	<u>Base</u>	<u>Base</u>
WHOLE LIFE PLANS				
Patriot 100 & Contender 100	55%	5%	5%	2%
Heritage	55%	5%	5%	2%
Sentinel	30%	5%	5%	2%
Liberty	3%	0%	0%	0%
Single Premium Paid-Up Additions Rider and Single Premium Life Rider	2%	0%	0%	0%
Level Premium Paid-Up Additions Rider	2%	2%	2%	2%
TERM PLANS				
Centennial Term				
10 Yr	45%	0%	0%	0%
20 Yr	50%	0%	0%	0%
30 Yr	55%	0%	0%	0%
10 TR-05 / TLR-08	40%	3%	3%	0%
TR-05	40%	4%	4%	3%
Low Cost Term	0%	0%	0%	0%

Except as noted otherwise in this Agreement, commissions and service fees on premiums for Optional Benefits sold as riders will be calculated using the same percentages of such premium as the commissions and service fees for the policy to which the rider is attached. No commissions or service fees are paid on dividends used to purchase paid-up insurance. Policy fees are noncommissionable for Centennial Term and Whole Life Plans.

SCHEDULE OF COMMISSIONS AND SERVICE FEES (continued)
(Expressed as a percentage of premiums paid)

FIRST POLICY YEAR POLICY YEARS 2-10 SERVICE FEES:
Policy Years 11 & After

UNIVERSAL LIFE POLICIES & RIDERS	Target Premium*	Excess Premium*	Premiums Paid*	Premiums Paid*
Centennial IUL ^{FN} Base	55%	2%	2%	2%
Vanguard-09 Base	55%	3%	3%	3%

*Please see the Glossary of Terms for definitions of Target Premium, Excess Premium, and Premiums Paid.

^{FN}For the Centennial IUL, there is Asset Based Compensation as defined in the Glossary of Terms and payable annually starting at the end of the Policy Year 3. The Base Asset Based Compensation is 10 basis points. Refer to the Glossary of Terms for details.

SCHEDULE OF COMMISSIONS AND SERVICE FEES (continued)

Chart of Compensation for Waiver of Monthly Deduction Rider on a Universal Life Policy
(Expressed as a percentage of the Monthly Cost of Insurance)

<u>Time Period & Type of Compensation</u>	<u>Type of Policy</u>	
	<u>Centennial IUL</u>	<u>Vanguard-09</u>
1. First 12 Monthly Deductions Base Commission	55%	55%
2. All other Monthly Deductions through Policy Year 10 Base Commission	2%	3%
3. Service Fee on Monthly Deduction beginning Policy Year 11 Base Service Fee	2%	3%

Chart of Compensation for Universal Life Specified Amount Increases
(Expressed as a percentage of the Target Premium at the Attained Age at the time of the
Increase)

	<u>Type of Policy</u>	
	<u>Centennial IUL</u>	<u>Vanguard-09</u>
Base Commission	55%	55%

SCHEDULE OF COMMISSIONS AND SERVICE FEES (continued)

Chart of Annuity First Year Commissions (Policy Year 1)
and Renewal Commissions (Policy Year 2 and Later)
(Expressed as a Percentage of Premiums Paid)

Marquis Flex 1		Group Marquis Flex	
<u>Policy Year</u>	<u>Base</u>	<u>Policy Year</u>	<u>Base</u>
1	0.6%	1	3%
2 & later	0%	2	2%
		3	2%
		4	2%
		5	2%
		6	2%
		7	1%
		8	1%
		9 & later	0

Marquis Flex 5, Horizon 0, Horizon 1, Horizon G, Marquis Advant-Edge 5

<u>Issue ages below 70</u>		<u>Issue ages 70 and above</u>	
<u>Policy Year</u>	<u>Base</u>	<u>Policy Year</u>	<u>Base</u>
1	3%	1	2%
2	2%	2	2%
3	2%	3	2%
4	1%	4	1%
5	1%	5	1%
6 & later	0%	6 & later	0%

Marquis Flex 10, Marquis Advant-Edge 10

<u>Issues ages below 70</u>		<u>Issue ages 70 and above</u>	
<u>Policy Year</u>	<u>Base</u>	<u>Policy Year</u>	<u>Base</u>
1	4%	1	3%
2	3%	2	2%
3	3%	3	2%
4	3%	4	2%
5	3%	5	2%
6	3%	6	2%
7	2%	7	2%
8	2%	8	2%
9	1%	9	1%
10	1%	10	0%
11 & later	0%	11 & later	0%

Group Marquis Centennial

<u>Policy Year</u>	<u>Base</u>
1	6%
2	5%
3	3%
4	3%
5	3%
6	3%
7	2%
8	1.5%
9	1%
10	.5%
11 & later	0%

SCHEDULE OF COMMISSIONS AND SERVICE FEES (continued)
 Chart of Annuity First Year Commissions (Policy Year 1)
 and Renewal Commissions (Policy Year 2 and Later)
 (Expressed as a Percentage of Premiums Paid)

Marquis Centennial 3

<u>Policy Year</u>	<u>Issue ages 0-75</u>	<u>Issue ages 76 & above</u>
	<u>Base</u>	<u>Base</u>
1	2%	1%
2	1%	1%
3	0.5%	0.5%
4 & later	0%	0%

Marquis Centennial 5

<u>Policy Year</u>	<u>Issue ages 0-75</u>	<u>Issue ages 76 & above</u>
	<u>Base</u>	<u>Base</u>
1	4%	3%
2	3%	2%
3	2%	2%
4	1%	1%
5	0.5%	0.5%
6 & later	0%	0%

Marquis Centennial 7

<u>Policy Year</u>	<u>Issue ages 0-70</u>	<u>Issue ages 71-80</u>	<u>Issue ages 81 & above</u>
	<u>Base</u>	<u>Base</u>	<u>Base</u>
1	6%	5%	4%
2	5%	4%	3%
3	4%	4%	3%
4	3%	3%	2.5%
5	2%	2%	2%
6	1%	1%	1%
7	0.5%	0.5%	0.5%
8 & later	0%	0%	0%

Marquis Centennial 10

<u>Policy Year</u>	<u>Issue ages 0-70</u>	<u>Issue ages 71-80</u>	<u>Issue ages 81 & above</u>
	<u>Base</u>	<u>Base</u>	<u>Base</u>
1	8%	7%	5%
2	7%	6%	4%
3	6%	6%	4%
4	5%	5%	3%
5	4%	4%	3%
6	3%	3%	2%
7	2%	2%	2%
8	1.5%	1.5%	1.5%
9	1%	1%	1%
10	0.5%	0.5%	0.5%
11 & later	0%	0%	0%

Horizon SPDA-08 3/5

<u>Policy Year</u>	<u>Issue Ages 0 through 75</u>	<u>Issue Ages 76 & Above</u>
	<u>Base</u>	<u>Base</u>
1	3%	2%
2 & Later	0%	0%

Horizon SPDA-08 5/5

<u>Policy Year</u>	<u>Issue Ages 0 through 75</u>	<u>Issue Ages 76 & Above</u>
	<u>Base</u>	<u>Base</u>
1	3%	2%
2 & Later	0%	0%

SCHEDULE OF COMMISSIONS AND SERVICE FEES (continued)
 Chart of Annuity First Year Commissions (Policy Year 1)
 and Renewal Commissions (Policy Year 2 and Later)
 (Expressed as a Percentage of Premiums Paid)

Horizon SPDA-08 5/7

	Issue Ages 0 through 75	Issue Ages 76 & Above
Policy Year	<u>Base</u>	<u>Base</u>
1	4%	3%
2 & Later	0%	0%

Other Annuities

	Policy Year 1	Policy Year 2 and After
	<u>Base</u>	<u>Base</u>
SPIA Life Income (Issue Ages Below 70)	3*	0
SPIA Life Income (Issue Ages Above 69)	2*	0
SPIA Installment Income (3-4 Years)	1*	0
SPIA Installment Income (5-7 Years)	2*	0
SPIA Installment Income (8 –10)	3*	0
SPIA Installment Income (11 years & Later)	3*	0
Horizon S (Issue Ages Below 70)	3	0
Horizon S (Issue Ages Above 69)	2	0
Group Deposit Administration Contract	0	0

*The commission percentages on Single Premium Immediate Annuities will be reduced by 50 basis points for all premiums in excess of \$1 Million.

SCHEDULE OF COMMISSIONS AND SERVICE FEES (continued)

**Chart of Annuity Asset Based Compensation
(Expressed in Basis Points)**

We shall pay you asset based compensation as defined in this chart on the annuities identified in this chart in accordance herewith. Solely with respect to the annuity products identified in this Chart of Annuity Asset Based Compensation, asset based compensation shall be based upon and paid as a percentage of the net accumulated policy value less any premium credited to such policy value within the 12 months immediately preceding the applicable policy anniversary upon which the asset based compensation calculation is made of those policies produced by you, while this Agreement is in effect, except for asset based compensation pertaining to the 5th policy anniversary for any Marquis Advant-Edge 5 and the 10th policy anniversary for any Marquis Advant-Edge 10, which shall be calculated as described in the next paragraph. Any asset based compensation is payable annually starting at the policy anniversary for a policy as listed in this Chart, subject to the terms and conditions of this Agreement. Any asset based compensation is calculated as of the date of the applicable policy anniversary, except for asset based compensation pertaining to the 5th policy anniversary for any Marquis Advant-Edge 5 and the 10th policy anniversary for any Marquis Advant-Edge 10, which shall be calculated as described in the next paragraph. Any asset based compensation is expressed in Basis Points (BP). For purposes of calculating percentages, 100 Basis Points (BP) equals 1%. For purposes of the Vesting of Commissions and Service Fees provision of the Agreement, for policy years 2-10, asset based compensation, if any, shall be considered renewal commissions and for policy years thereafter as service fees. Any asset based compensation will be subject to the terms and conditions of this Agreement, including without limitation the Vesting of Commissions and Service Fees provision. Asset based compensation in special situations not provided for herein will be governed by our rules and practices in effect at that time.

With respect to any Marquis Advant-Edge 10 policy produced by you while this Agreement is in effect, any asset based compensation pertaining to the 10th policy anniversary is payable on the 10th policy anniversary plus 60 days (the “10th Policy Anniversary ABC Calculation Date”). Any asset based compensation payable on the 10th Policy Anniversary ABC Calculation Date shall be based upon and paid as a percentage of the difference of the net accumulated policy value calculated as of the 10th Policy Anniversary ABC Calculation Date less any premium credited to such policy value within the 12 months immediately preceding the 10th Policy Anniversary ABC Calculation Date. With respect to any Marquis Advant-Edge 5 policy that is produced by you while this Agreement is in effect, any asset based compensation pertaining to the 5th policy anniversary is payable on the 5th policy anniversary plus 60 days (the “5th Policy Anniversary ABC Calculation Date”). Any asset based compensation payable on the 5th Policy Anniversary ABC Calculation Date shall be based upon and paid as a percentage of the difference of the net accumulated policy value calculated as of the 5th Policy Anniversary ABC Calculation Date less any premium credited to such policy value within the 12 months immediately preceding the 5th Policy Anniversary ABC Calculation Date.

	<u>Policy Anniversary</u>	
	<u>Years 5 through 10</u>	<u>Years 11 and after</u>
	<u>Base</u>	<u>Base</u>
Marquis Flex 10	8 BP	19 BP
Marquis Advant-Edge 10	8 BP	19 BP
Marquis Flex 5	19 BP	19 BP
Marquis Advant-Edge 5	19 BP	19 BP
Group Marquis Flex	19 BP	19 BP
Horizon 0, 1&S	19 BP	19 BP
	<u>Years 2 through 10</u>	<u>Years 11 and after</u>
	<u>Base</u>	<u>Base</u>
Marquis Flex 1	55 BP	55 BP
	<u>Years 4 through 10</u>	<u>Years 11 and after</u>
	<u>Base</u>	<u>Base</u>
Marquis Centennial 3	19 BP	19 BP
	<u>Years 6 through 10</u>	<u>Years 11 and after</u>
	<u>Base</u>	<u>Base</u>
Marquis Centennial 5	19 BP	19 BP
	<u>Years 8 through 10</u>	<u>Years 11 and after</u>
	<u>Base</u>	<u>Base</u>
Marquis Centennial 7	19 BP	19 BP
	<u>Years 8 through 10</u>	<u>Years 11 and after</u>
	<u>Base</u>	<u>Base</u>
Marquis Centennial 10 & Group Marquis Centennial	-	19 BP

SCHEDULE OF COMMISSIONS AND SERVICE FEES (continued)
 Chart of Annuity Asset Based Compensation (continued)
 (Expressed in Basis Points)

Policy Anniversary

	<u>Years 6 through 10</u>	<u>Years 11 and after</u>
	<u>Base</u>	<u>Base</u>
Horizon SPDA-08 3/5	19 BP	19 BP
Horizon SPDA-08 5/5	19 BP	19 BP
	<u>Years 8 through 10</u>	<u>Years 11 and after</u>
	<u>Base</u>	<u>Base</u>
Horizon SPDA-08 5/7	19 BP	19 BP

SCHEDULE OF COMMISSIONS AND SERVICE FEES
(Expressed as a percentage of premiums paid)

	Policy Year				
	First Year Commission	Renewal Commissions			Service Fees
	1	2	Yrs. 3-5	Yrs. 6-10	11 & after
Other Whole Life Plans					
Protector -Simplified Issue Series (WSI)	<u>Base</u>	<u>Base</u>	<u>Base</u>	<u>Base</u>	<u>Base</u>
WSI Level Pay (Issue Ages 80 and below)	55%	4%	4%	4%	0%
WSI Level Pay (Issue Ages 81-85)	50%	4%	4%	4%	0%
WSI 10 Pay	36%	2%	2%	2%	0%
WSI 5 Pay	23%	4%	2.25%	0%	0%
WSI Single Pay (Issue Ages 30-70)	7%	0%	0%	0%	0%
WSI Single Pay (Issue Ages 71-75)	6%	0%	0%	0%	0%
WSI Single Pay (Issue Ages 76-80)	6%	0%	0%	0%	0%
WSI Single Pay (Issue Ages 81-85)	5%	0%	0%	0%	0%
Protector –Graded Benefit	50%	2%	2%	2%	0%

Except as noted otherwise in this Agreement, commissions and service fees on premiums for Optional Benefits sold as riders will be calculated using the same percentages of such premium as the commissions and service fees for the policy to which the rider is attached.

SCHEDULE OF COMMISSIONS AND SERVICE FEES (continued)
(Expressed as a Percentage of Premiums Paid)

First Year Commissions for Guaranteed Issue Life Insurance Policies

Life Plans other than Universal Life			
Plan Number of Lives:	5 to 25	26 to 75	76 & above
	Base	Base	Base
Patriot 100	55	55	55
Contender 100	55	55	55
Heritage	55	55	55
Sentinel	30	25	25
Universal Life			
Plan Number of Lives:	5 to 25	26 to 75	76 & above
	Base	Base	Base
Centennial IUL	55	55	55
Vanguard-09	55	55	55

Except as otherwise noted in this agreement, commissions and service fees on premiums for Optional Benefits sold as riders will be calculated using the same percentages of such premium as the commissions and service fees for the policy to which the rider is attached. No commissions or service fees are paid on dividends used to purchase paid up insurance. Policy fees are non commissionable for the Centennial Term and Whole Life Plans.

There shall be no reduction in the renewal commission percentages or service fee percentages set forth separately in this Schedule of Compensation for such policies.

GLOSSARY OF TERMS

The following terms, as used in this Agreement, shall have the meanings described below:

a. **"Premiums paid"** means premiums that are paid in cash and received by us.

b. **"Policy produced by you"** means the policy we issue upon an application, executed by the applicant, which you solicited, completed and signed as agent.

c. **"First year base commission percentage"** means the percentage of the first policy year premiums paid on policies other than universal life policies, produced by you.

d. **"Renewal base commission percentage"** means the percentage of premiums paid in the second through the tenth policy years on policies other than universal life policies, produced by you.

e. **"Target Premium"** for universal life policies means the appropriate quantity discount factor, if any, plus that amount of premium calculated by applying the appropriate premium rate per thousand dollars shown for the kind of universal life policy or rider being issued for the primary insured's age times the number of thousands of dollars of specified amount stated in the policy or rider. Target Premium is taken from the initial premium payments received on a universal life policy or rider until the amount of accumulated payments equals the Target Premium. Target Premium is paid only once for each policy or rider.

Target premium rates per \$1,000 for each of the various universal life policies and riders listed in the Schedule of Commissions and Service Fees are contained in our most recently issued rate cards.

f. **"Excess premiums"** for universal life policies or riders means all amounts of money received by us during the first ten policy years as premiums on a universal life policy or rider after an amount equal to the Target Premium for such policy or rider has been paid.

g. **"Target base commission percentage"** for universal life policies or riders means the percentage of the Target Premium paid on universal life policies or riders produced by you.

h. **"Excess base commission percentage"** for universal life policies or riders means the percentage of the Excess Premiums paid during the first ten policy years on universal life policies or riders produced by you.

i. **"Base service fee percentage"** means the percentage of premiums paid in the eleventh policy year and thereafter, on policies produced by you.

j. **"Optional Benefit"** means Spouse Insurance or a Spouse Insurance Rider, a Children's Insurance Rider, a Waiver of Monthly Deduction Rider, a Waiver of Premium Disability Benefit Rider, an Accidental Death Benefit Rider, an Additional Protection Rider, a Single Premium Paid-Up Additions Rider, a Single Premium Life Rider, a Level Premium Paid-Up Additions Rider, a Guaranteed Increase Option Rider, a Guaranteed Purchase Option Rider, a Term Rider, a 10-Year Renewable Term Rider, a Term Insurance Rider on the primary insured or other insured, a Survivor Purchase Option Rider, or a Payor Benefit Rider, and all new riders developed after the effective date of this Agreement.

k. **"NAFYAC"** (Net Annualized First Year Agent's Commission) means the sum of the calculated credits based upon your commission account during the immediately preceding 12 calendar month period. The credits are based on premiums paid on policies produced by you, calculated as set forth in our published bulletin defining "NAFYAC".

l. **"36 Month Current Persistency"** means the composite monthly persistency for the immediately preceding 36 calendar months for you, which we compute according to our published rules. Your 36 Month Current Persistency is contained in a monthly report we send to you.

m. **"Asset Based Compensation"** means, solely with respect to the Centennial IUL products, compensation payable to you based upon the policy value (as defined in such products and less any policy loans and loan interest) of certain Centennial IUL policies produced by you or produced by an agent while assigned to you. Asset Based Compensation is payable annually starting at the end of policy year three (3) and payable at the end of each policy year thereafter while the policy is in-force. Asset Based Compensation is calculated as a percentage of policy value (as defined in such products and less any policy loans and loan interest). For purposes of the Vesting of Commissions and Service Fees provision of the Agreement, for policy years 3-10, Asset Based Compensation shall be considered renewal commissions and for policy years thereafter as service fees. The base Asset Based Compensation on such policies produced by you is 10 basis points. Asset Based Compensation will be subject to the terms and conditions of this Agreement, including without limitation the Vesting of Commissions and Service Fee provision. For purposes of calculating percentages under this paragraph, 100 basis points equals 1%.

Agents Products Quiz The Marquis Series of Products

An indexed product is a fixed interest product with an option of interest crediting determined in part by reference to an index such as the S&P500®. It is important to note that the majority of indexed products do not invest in the index they use to determine the interest crediting rate. They are not securities and should not be marketed as such. They should be marketed to those individuals interested in guaranteed rates of return and safety of principal, but desiring a rate of return that may exceed traditional fixed products. These will normally be moderately conservative savers that like the tax deferred aspects of life insurance products and may be interested in some diversification through different asset classifications and product designs.

There are a number of indexed products on the market and each has its unique design features. The following is a summary of the Lafayette Life indexed product designs. You are asked to review this information carefully, take the brief quiz at the end of the document, and sign at the bottom of the document indicating that you have read and understood this information. Please return the signed sheet with your contracting papers. You will not be allowed to sell an indexed policy with Lafayette Life until we have received a signed copy of this document.

Marquis Centennial Indexed Annuities Flexible Premium Indexed Deferred Annuities

The Marquis Centennial 3, 5, 7 and 10 indexed annuities offer a company declared fixed interest rate and three index interest crediting alternatives each of which is linked, in part, to the S&P 500®. Regardless of the performance of the S&P 500®, the Marquis Centennial is guaranteed to provide a value no less than the guaranteed minimum surrender value, assuming no withdrawals. The Marquis Centennial is a sound funding vehicle for long term retirement income needs.

Issue Ages:
0 to 85

Premium: Flexible premium may be paid at any time.
Minimum Premium: \$1,000 per year. (\$84.00 automatic monthly withdrawal from checking option).
Maximum Premium: \$1,000,000 without prior home office approval, call the Marketing Department.

Guarantee
The guaranteed minimum surrender value in this Annuity is 90% of all net premiums (less any withdrawals) accumulated at an annual effective interest rate of 3%.

Fixed Option: Premiums may be allocated to a fixed interest option, indexed option, or split between both options. Lafayette Life declares the rate of interest for the fixed option. This declaration is usually made monthly although it may be made more often. Once premium is received and allocated to the fixed option, the current interest rate applied to that premium is fixed and guaranteed for one year. Subsequent premium payments will receive the current rate in effect on the date the premium payment is received and that rate will be fixed for one year from that date. This rate is guaranteed to be no lower than the minimum fixed interest rate specified in the contract, which is 1.5%. This minimum fixed interest rate of 1.5% only applies to monies allocated to the fixed option.

Interest Earning Periods

Under the fixed option and index option, the interest calculations are based upon a one-year measuring period. This one-year measuring period is referred to as an interest earning period. For each net premium, the interest earning periods start on an allocation date and end one year later. Interest is calculated differently under each option.

Agents Products Quiz The Marquis Series of Products

Anniversary Statements

The first Anniversary Statement will extend from the policy date to the anniversary of the first Allocation Date. For example, Policy issued 9/1/06. The first anniversary statement will show the period of 9/1/06 to 9/15/07, to include the index interest that is credited the first year. All anniversary statements will be one-year periods, beginning and ending on the 15th of the month thereafter.

Indexing & Index Option

Under the index option, the interest credited to the policy will be based upon one or more of three index interest crediting methods. For the amount of each net premium allocated to any one of the alternative index interest crediting methods under the index option, there is a separate cap that applies to each alternative that is used to calculate the index interest rate. The caps are used to set the upper limit on the index interest rate that may be credited for an interest earning period. For alternative methods A (Annual Point-to-Point) and B (Monthly Average) this cap is referred to as the maximum index interest rate, while alternative method C (Monthly Cap) refers to the cap as the maximum monthly index change. These caps are declared in advance of each successive interest earning period and are guaranteed not to change during such period. Any interest attributable to a change in the index is credited only at the end of an interest earning period. There is no guarantee the index interest rate credited under any of the index interest alternatives will be equal to its cap or even greater than 0%. Prior to the end of the interest earning period, the index interest rate is 0%.

Alternative Method A: Annual Point-to-Point

The index interest rate for this method is the percentage change in the index from the allocation date that begins the interest earning period to the allocation date that ends the interest earning period. The index interest rate credited for an interest earning period will not be less than 0%, nor more than the applicable cap. The cap will not be less than 1.5%.

Alternative Method B: Monthly Average

The index interest rate for this method is the percentage change in the index measured by the index on the allocation date that begins the interest earning period against the average of the indices on the 12 allocation dates immediately following the allocation date that begins the interest earning period. The index interest rate credited for an interest earning period will not be less than 0%, nor more than the applicable cap. The cap will not be less than 1.5%.

Alternative Method C: Monthly Cap

The index interest rate for this method is the sum of the percentage change in the index for each of the 12 one-month periods between allocation dates within the interest earning period. Each of the 12 percentage changes may be less than 0%, but not more than the applicable cap. The index interest rate for an interest earning period will not be less than 0%. The cap will not be less than 0.125%. (1.0% in Oregon).

Allocation Dates

The allocation of a net premium to the selected interest crediting methods will be done on an allocation date, which is the 15th of the month on or next following the date your net premium is received. The allocation date for a premium will be the initial measuring point for all of the interest calculations for that premium. If a premium is received on an allocation date, the net premium will be immediately divided between the fixed and indexed alternatives the applicant/policyowner has selected. If the applicant/policyowner premium is received on a date other than an allocation date, the applicant/policyowner net premium will be credited with a short-term fixed interest rate established by Lafayette Life until the next monthly allocation date, upon which the applicant/policyowner net premium and any short-term interest credited will be allocated to the fixed and indexed alternatives the applicant/policyowner has selected.

Agents Products Quiz The Marquis Series of Products

Transfers

Transfers of a net premium amount and/or interest credited on such net premium from one interest crediting method to another are only allowed on the anniversaries of such net premium's initial allocation date. The policyowner may transfer all or part of such value, but Lafayette Life must receive written notice of the desire to transfer such funds prior to such net premium's allocation date anniversary.

Withdrawal Charges: Withdrawal charges apply for the first 3, 5, 7 or 10 policy years, depending on the policy purchased. If the applicant/policyowner surrenders or makes a partial withdrawal while the withdrawal charges apply, the applicant/policyowner policy value will be reduced by the amount withdrawn and the applicable withdrawal charge. The withdrawal charge is a percentage of the amount of the withdrawal. The withdrawal charge percentage declines each policy year. All withdrawal charges date from the policy date (which is the date of the receipt of the original premium) and not from the date of the receipt of subsequent premiums. Any withdrawals from the indexed option prior to the end of the index interest earning period will not participate in any indexed interest.

Annuities are designed for long term accumulation and not for short-term liquidity, however limited liquidity is available in the early years of the policy while withdrawal charges are in effect. Automatic withdrawals of the interest may be taken monthly from the policy in the first year without incurring a withdrawal charge. In subsequent years the automatic withdrawal of interest may continue, or up to 10% of the beginning of year policy value may be withdrawn without a withdrawal charge as long as withdrawal charges are still applicable.

Cumulative withdrawals in one policy year of more than 10% of the policy value are subject to withdrawal charges if such charges are still applicable. Withdrawals not taken in one year do not increase the amount of withdrawal that can be taken in later years without a withdrawal charge. Any withdrawals taken during the withdrawal charge period and exceeding 10% of the beginning of year policy value during the policy year will be subject to withdrawal charges unless the annuitant is confined to a nursing home or terminally ill.

If the annuitant is *confined to a nursing home, up to 25% of the policy value on the prior annual date may be withdrawn without a withdrawal charge. If the annuitant is terminally ill, 100% of the policy value may be withdrawn without a withdrawal charge. All or some of the amount withdrawn may be subject to income tax and, if before age 59 ½, an additional 10% income tax penalty. Lafayette Life does not credit index interest to amounts withdrawn from an index interest crediting method during an interest earning period. If the annuitant and/or the policyowner dies before maturity, the beneficiary will receive a death benefit equal to the policy value on the date of death. This benefit will pass free of probate to the named beneficiary.

*In the state of Massachusetts, chronically ill (as defined in the policy). Nursing facility does not apply.

Death Benefit

In the event of the death of the annuitant and/or the policyowner, the Marquis Centennial will pay a death benefit equal to the policy value on the date of death. This benefit will pass free of probate to your named beneficiary.

Payout Options

One of the most valuable options of any annuity is its ability to provide a guaranteed income. This income may be paid to the policyowner for a fixed period, over your lifetime, or the joint lifetimes of you and your spouse. Exercising one of the annuity payout options in the Marquis Centennial contract can provide you with a guaranteed income that you cannot outlive.

Agents Products Quiz
The Marquis Series of Products

The guaranteed minimum surrender value in this Annuity is 90% of all net premiums (less any withdrawals) accumulated at an annual effective interest rate of 3%.

The withdrawal charges are different for the Marquis Centennial 3, 5, 7 and 10.

Centennial 3

There are declining withdrawal charges for the first three policy years. After the withdrawal charge period the applicant/policyowner may continue the policy but no withdrawal charges will apply. The withdrawal charges are as follows:

Policy Year	1	2	3
Charge	7%	5%	3%

Centennial 5

There are declining withdrawal charges for the first five policy years. After the withdrawal charge period the applicant/policyowner may continue the policy but no withdrawal charges will apply. The withdrawal charges are as follows:

Policy Year	1	2	3	4	5
Charge	8%	7%	6%	4%	2%

Centennial 7

There are declining withdrawal charges for the first seven policy years. After the withdrawal charge period the applicant/policyowner may continue the policy but no withdrawal charges will apply. The withdrawal charges are as follows:

Policy Year	1	2	3	4	5	6	7
Charge	8%	7%	6%	5%	4%	3%	2%

Centennial 10

There are declining withdrawal charges for the first ten policy years. After the withdrawal charge period the applicant/policyowner may continue the policy but no withdrawal charges will apply. The withdrawal charges are as follows:

Policy Year	1	2	3	4	5	6	7	8	9	10
Charge	9%	9%	8%	7%	6%	5%	4%	3%	2%	1%

Agents Products Quiz
The Marquis Series of Products

Group Marquis Centennial Indexed Annuity –

The Group Marquis Centennial can be used in all retirement plans other than a 412 fully insured plan.
(See Marquis Flex 5)

Similar to the Individual Marquis Centennial 10 Indexed Annuity except for changes to minimum premium, the addition of benefit sensitive withdrawals, and there is no free partial withdrawal amount available upon the complete surrender of the policy.

Premium: Flexible premium may be paid at any time.

Minimum Premium: \$1,200 per year. (\$100.00 automatic monthly withdrawal from checking option).

Maximum Premium: \$1,000,000 without prior home office approval, call the Marketing Department.

Group Marquis Centennial Indexed Annuity

There are declining withdrawal charges for the first ten policy years. After the withdrawal charge period the applicant/policyowner may continue the policy but no withdrawal charges will apply.

The withdrawal charges are as follows:

Policy Year	1	2	3	4	5	6	7	8	9	10
Charge	10%	9%	8%	7%	6%	5%	4%	3%	2%	1%

This early withdrawal charge does not apply and the entire amount of the participant's allocation is available if annuity values are withdrawn to pay plan benefits due to the death, disability, termination of employment, or retirement of a participant.

Note: Partial withdrawals made during the withdrawal charge period that are other than benefit responsive withdrawals and in excess of the 10% free partial withdrawal amount will incur withdrawal charges. There is no free partial withdrawal amount upon surrender.

Marquis Flex 5 (412e3 - fully insured pension plans only)

Flexible Premium Indexed Deferred Annuity

Issue Ages:

0 to 85

Premium: Flexible premium, may be paid at any time.

Minimum Premium: \$1,000 per year. (\$84.00 automatic monthly withdrawal from checking option).

Maximum Premium: \$1,000,000 without prior home office approval, call the Marketing Department.

Guarantee

The guaranteed minimum surrender value of this Annuity, regardless of the option selected, is the accumulation of all net premiums (less any withdrawals) at an annual effective interest rate of 3%.

Fixed Option: Premiums may be allocated to a fixed interest option, indexed option, or split between both options. Lafayette Life declares the rate of interest for the fixed option. This declaration is usually made monthly although it may be made more often. Once premium is received and allocated to the fixed option, the current interest rate applied to that premium is fixed and guaranteed for one year. Subsequent premium payments will receive the current rate in effect on the date the premium payment is received and that rate will be fixed for one year from that date. This rate is guaranteed to be no lower than the minimum rate specified in the contract.

Agents Products Quiz

The Marquis Series of Products

Interest Earning Period: There will be an initial interest earning period for each net premium payment. If premium is allocated to the fixed interest option, the initial fixed interest earning period for a net premium payment begins on the date such payment is received by us and ends after it has been in effect for one year. Each initial fixed interest earning period for a net premium payment will be immediately followed by additional fixed interest earning periods of one year, in succession. The current fixed interest rate declared in advance of each fixed interest earning period will be set for the one-year interest earning period. If premium is allocated to the indexed option the indexed earning period will begin at the end of the day on the 15th of the month after the premium has been received and end one year later. Each indexed earning period will be immediately followed by additional indexed earning periods of one year in succession. The participation rate and caps will be fixed in advance of each indexed earning period and apply throughout the one-year indexed earning period. Premium received in advance of the indexed earning period will receive the then current fixed interest rate until the beginning of the indexed earning period.

Index Option – Annual Reset: Premium allocated to the index option will be credited an interest rate based on the S&P500 Composite Stock Index. The interest rate is calculated by determining the value of the S&P500® at the end of the day on the 15th of the month after premium has been received. This value is compared to the value of the index one year later. If the value of the index has increased, the participation rate and cap are applied to the percentage of increase and the resulting percent is applied to the premium. If the value of the index has decreased or the rate of increase times the participation rate has increased less than the guaranteed interest rate specified in the contract, then the minimum guaranteed interest rate would be applied to the premium. Once the index interest rate has been determined it is applied to that premium and the resulting amount is included in the policy value.

Lafayette Life declares the participation rate (the percentage of gain in the S&P500® index that will be passed on to the policyholder subject to the cap) and the cap (the maximum interest rate that can be credited to the policy). This declaration is usually made monthly although it may be made more often. Once premium is received and allocated to the index option, the participation rate and cap applied to that premium is fixed and guaranteed for one year. Subsequent premium payments will receive the current participation rate and cap in effect on the 15th of the month after the premium payment is received and that rate will be fixed for one year from that date. The participation rate can be no lower than 25% and the cap no lower than the minimum guaranteed rate specified in the contract.

Policy Date and Premium Allocation: The policy will be dated on the date when the initial premium is received. Allocations to the index option will be made on the 15th of every month. Any premium allocated to the index option and received prior to the 15th of the month will receive the daily equivalent of the then current fixed interest rate until the 15th of the month when it will be allocated to the index option. The crediting of any interest to the index option other than the guaranteed minimum interest rate will be done on the 15th of the month following each premium anniversary.

Transfers: Premiums may be allocated to either the fixed option or the index option or they may be allocated to both the fixed and index options. Transfers from one option to the other will be effective on the 15th of the month following the premium anniversary. We should receive notice of the desire for such a transfer prior to the premium anniversary. No transfer will be made after the 15th of the month following the premium anniversary.

Agents Products Quiz The Marquis Series of Products

Withdrawal Charges: All withdrawal charges date from the policy date (which is the date of the receipt of the original premium) and not from the date of the receipt of subsequent premiums. Any withdrawals from the indexed option prior to the end of the index period will not participate in any indexed interest. By company practice automatic withdrawals of the interest may be taken monthly from the policy in the first year without incurring a withdrawal charge. In subsequent years the automatic withdrawal of interest may continue, or up to 10% of the beginning of year policy value may be withdrawn without a withdrawal charge as long as withdrawal charges are still applicable. The amount that can be withdrawn without a surrender charge is not cumulative, meaning that withdrawals not taken in one year do not increase the amount of withdrawal that can be taken in later years without a withdrawal charge. Any withdrawals taken during the withdrawal charge period and exceeding 10% of the beginning of year policy value during the policy year will be subject to withdrawal charges unless the annuitant is confined to a nursing home or terminally ill. If the annuitant is confined to a nursing home, up to 25% of the policy value on the prior annual date may be withdrawn without a withdrawal charge. If the annuitant is terminally ill, 100% of the policy value may be withdrawn without a withdrawal charge. If the annuitant and/or policyowner dies before maturity, the beneficiary will receive a death benefit equal to the policy value on the date of death. This benefit will pass free of probate to the named beneficiary.

Please read carefully the Disclosure & Benefit Summary for the Marquis Flex 5 (1835-5), which will outline the product details.

Marquis Flex 5

There are declining withdrawal charges for the first five policy years. After the withdrawal charge period the applicant/policyowner may continue the policy but no withdrawal charges will apply.

The withdrawal charges are as follows:

Policy Year	1	2	3	4	5
Charge	8%	7%	6%	4%	2%

Marquis Advant-Edge Annuities

Flexible Premium Indexed Deferred Annuities

Issue Ages:

0 to 85

Premium: Flexible premium, may be paid at any time.

Minimum Premium: \$1,000 per year. (\$84.00 automatic monthly withdrawal from checking option).

Maximum Premium: \$1,000,000 without prior home office approval, call the Marketing Department.

Guarantee

The guaranteed minimum surrender value of this Annuity, regardless of the option selected, is the accumulation of all net premiums (less any withdrawals) at an annual effective interest rate of 2% in the first 10 policy years and 3% thereafter.

Fixed Option: Premiums may be allocated to a fixed interest option, indexed option, or split between both options. Lafayette Life declares the rate of interest for the fixed option. This declaration is usually made monthly although it may be made more often. Once premium is received and allocated to the fixed option, the current interest rate applied to that premium is fixed and guaranteed for one year. Subsequent premium payments will receive the current rate in effect on the date the premium payment is received and that rate will be fixed for one year from that date. This rate is guaranteed to be no lower than the minimum rate specified in the contract.

Agents Products Quiz

The Marquis Series of Products

Interest Earning Period: There will be an initial interest earning period for each net premium payment. If premium is allocated to the fixed interest option, the initial fixed interest earning period for a net premium payment begins on the date such payment is received by us and ends after it has been in effect for one year. Each initial fixed interest earning period for a net premium payment will be immediately followed by additional fixed interest earning periods of one year, in succession. The current fixed interest rate declared in advance of each fixed interest earning period will be set for the one-year interest earning period. If premium is allocated to the indexed option the indexed earning period will begin at the end of the day on the 15th of the month after the premium has been received and end one year later. Each indexed earning period will be immediately followed by additional indexed earning periods of one year in succession. The participation rate and caps will be fixed in advance of each indexed earning period and apply throughout the one-year indexed earning period. Premium received in advance of the indexed earning period will receive the then current fixed interest rate until the beginning of the indexed earning period.

Index Option – Annual Reset: Premium allocated to the index option will be credited an interest rate based on the S&P500 Composite Stock Index. The interest rate is calculated by determining the value of the S&P500® at the end of the day on the 15th of the month after premium has been received. This value is compared to the value of the index one year later. If the value of the index has increased, the participation rate and cap are applied to the percentage of increase and the resulting percent is applied to the premium. If the value of the index has decreased or the rate of increase times the participation rate has increased less than the guaranteed interest rate specified in the contract, then the minimum guaranteed interest rate would be applied to the premium. Once the index interest rate has been determined it is applied to that premium and the resulting amount is included in the policy value.

Lafayette Life declares the participation rate (the percentage of gain in the S&P500® index that will be passed on to the policyholder subject to the cap) and the cap (the maximum interest rate that can be credited to the policy). This declaration is usually made monthly although it may be made more often. Once premium is received and allocated to the index option, the participation rate and cap applied to that premium is fixed and guaranteed for one year. Subsequent premium payments will receive the current participation rate and cap in effect on the 15th of the month after the premium payment is received and that rate will be fixed for one year from that date. The participation rate can be no lower than 25% and the cap no lower than the minimum guaranteed rate specified in the contract.

Policy Date and Premium Allocation: The policy will be dated on the date when the initial premium is received. Allocations to the index option will be made on the 15th of every month. Any premium allocated to the index option and received prior to the 15th of the month will receive the daily equivalent of the then current fixed interest rate until the 15th of the month when it will be allocated to the index option. The crediting of any interest to the index option other than the guaranteed minimum interest rate will be done on the 15th of the month following each premium anniversary.

Transfers: Premiums may be allocated to either the fixed option or the index option or they may be allocated to both the fixed and index options. Transfers from one option to the other will be effective on the 15th of the month following the premium anniversary. We should receive notice of the desire for such a transfer prior to the premium anniversary. No transfer will be made after the 15th of the month following the premium anniversary.

Agents Products Quiz
The Marquis Series of Products

Withdrawal Charges: All withdrawal charges date from the policy date (which is the date of the receipt of the original premium) and not from the date of the receipt of subsequent premiums. Any withdrawals from the indexed option prior to the end of the index period will not participate in any indexed interest. By company practice automatic withdrawals of the interest may be taken monthly from the policy in the first year without incurring a withdrawal charge. In subsequent years the automatic withdrawal of interest may continue, or up to 10% of the beginning of year policy value may be withdrawn without a withdrawal charge as long as withdrawal charges are still applicable. The amount that can be withdrawn without a surrender charge is not cumulative, meaning that withdrawals not taken in one year do not increase the amount of withdrawal that can be taken in later years without a withdrawal charge. Any withdrawals taken during the withdrawal charge period and exceeding 10% of the beginning of year policy value during the policy year will be subject to withdrawal charges unless the annuitant is confined to a nursing home or terminally ill. If the annuitant is confined to a nursing home, up to 25% of the policy value on the prior annual date may be withdrawn without a withdrawal charge. If the annuitant is terminally ill, 100% of the policy value may be withdrawn without a withdrawal charge. If the annuitant and/or policyowner dies before maturity, the beneficiary will receive a death benefit equal to the policy value on the date of death. This benefit will pass free of probate to the named beneficiary.

The Marquis Advant-Edge 5 and 10 are similar to the Marquis Flex 5 and 10, but there are significant differences. Please read carefully the Disclosure & Benefit Summary for the Marquis Flex (1835-5 or 1835-10) and the Disclosure & Benefit Summary for the Marquis Advant-Edge (2154-5 or 2154-10), which will outline the differences. Some of the differences are listed below, but are not limited to the following:

Agents Products Quiz The Marquis Series of Products

The guaranteed interest rate on the Marquis Advant-Edge 5 and 10 is 2% in the first 10 policy years and 3% thereafter.

The withdrawal charges are different for the Marquis Advant-Edge 5 and 10.

Advant-Edge 5

Withdrawal charges will apply for the first 10 policy years, except during the first 60 days of the 6th policy year. During this 60 day period, and after 10 years, the policy value will be free of any withdrawal charge. The withdrawal charges are as follows:

Policy Year	1	2	3	4	5	6	7	8	9	10
Charge	8%	7%	6%	5%	4%	3%*	2%	1%	1%	1%
* = 0% for the first 60 days of the sixth policy year.										

Advant-Edge 10

For issue ages 0-55: Withdrawal charges will apply for the first 15 policy years, except during the first 60 days of the 11th policy year. During this 60 day period, and after 15 years, the policy value will be free of any withdrawal charges. The withdrawal charges are as follows:

Policy Year	1	2	3	4	5	6	7	8	9	10
Charge	10%	10%	9%	9%	8%	8%	7%	6%	5%	4%
Policy Year	11	12	13	14	15					
Charge	3%*	2%	2%	1%	1%					
* = 0% for the first 60 days of the eleventh policy year.										

For issue ages 56-85: Withdrawal charges will apply for the first 10 policy years. After 10 years, the policy value will be free of any withdrawal charge. The withdrawal charges are as follows:

Policy Year	1	2	3	4	5	6	7	8	9	10
Charge	8%	8%	7%	6%	5%	4%	3%	2%	1%	1%

There are no compensation changes except in the timing of the payment and calculation of any asset-based compensation, see Agent's Reference Manual Section B for details.

The withdrawal for the Advant-Edge 10 issued above the age of 55 are very similar to those for the Advant-Edge 5 except there is no 60—day window at the beginning of the 6th year. Since the Advant-Edge 10 normally credits higher rates, and is available to age 85 it may be something to consider for older clients.

Markets: The Marquis Indexed Annuities are designed for long-term accumulation such as retirement income. The Marquis Indexed Annuities should be used in those cases where the client desires the potential for a higher interest rate than a current, traditional fixed-rate deferred annuity and is willing to accept the risk that the interest rate credited may be lower than the rate currently available on a traditional fixed-rate annuity. It is ideal for those people who have money in fixed interest rate accounts and wish to have the potential of higher interest rate returns. It may also be a good product to use as part of a broader diversification strategy. In addition to its utility as a non-qualified retirement planning vehicle, it is also available as a funding vehicle for IRA's and qualified plans.

Agents Products Quiz
The Marquis Series of Products

Marquis Centennial Indexed Universal Life

The Marquis Centennial IUL is an indexed universal life policy. Indexed Universal Life offers a solution for individuals who are looking for death benefit protection, and cash value accumulation. The Marquis Centennial Indexed Universal Life Insurance policy (the “Marquis Centennial IUL”) offers the opportunity to earn interest based on a formula that is linked in part to the performance of the S&P 500. This formula provides the potential of earning an interest rate higher than that which may be earned by the company declared fixed rate. The policy offers assurance that, as long as sufficient premiums are paid, you will have a guaranteed minimum policy value (please note that this guarantee is based on your policy value and not solely on the premiums you pay). This combination offers a unique mix of potential growth and guarantees to meet the diverse needs of today’s life insurance policyholder.

The policy contains a **no-lapse guarantee**: If total premiums paid (less partial surrenders and loans) are greater than or equal to cumulative total monthly no-lapse guarantee premiums, then the policy will not lapse, regardless of the net cash value. At introduction, no-lapse premiums equal target premiums and the no-lapse guarantee period will last until age 121.

Issue Ages:

0-85

Premium: Flexible premium may be paid at any time.

Minimum Specified Amount: \$100,000

Minimum Change in Specified Amount: \$25,000

Maximum Premium: Without Company approval: \$150,000 at issue; \$30,000 per year after issue.

Guideline premium limitations also apply.

Allocation Dates

The 15th day of each calendar month is an **allocation date**.

Allocation Percentages

Allocation percentages are the proportion of allocation value to be allocated to the Fixed Option and the index crediting methods within the Index Option. The total of the percentages must equal 100%. The owner may change allocation percentages for future allocation values.

Unallocated Interest Crediting Method

Each **net premium** (the amount of premium payment less applicable expense charge) is originally credited to the **unallocated interest crediting method**. Deductions are made from this method for:

- a. partial surrenders (including the \$15 charge),
- b. monthly deductions, and
- c. surrender charges.

On each allocation date following the policy date, an allocation to, or transfer from, the other interest crediting methods may be made. This depends on the amount of accumulated value in the unallocated interest crediting method on the allocation date:

- d. If it is less than or equal to 12.5 times the current month’s deduction, no allocation will be made;
- e. If it is greater than 12.5 times the current month’s deduction, and the excess is greater than \$50, then the excess will be allocated to the other interest crediting methods according to the current allocation percentages; or
- f. If it is less than the current month’s deduction, then enough will be transferred from the other crediting methods to raise the accumulated value of the unallocated interest crediting method to 12.5 times the current month’s deduction.

Agents Products Quiz The Marquis Series of Products

Guaranteed Minimum Policy Value

At the end of each 5-year segment, the guaranteed minimum policy value will be compared to the policy value. If it is greater than the policy value, the difference will be credited to the unallocated interest crediting method. Otherwise, nothing will be done.

Fixed Option

An allocation to the Fixed Option earns interest at a **fixed interest rate** that is guaranteed for successive **fixed interest earning periods** of one year each. The minimum fixed interest rate is 2%. Current fixed interest rates are declared in advance and will not change during a fixed interest earning period.

Index Option

An allocation to the Index Option earns interest at an **index interest rate** over successive **index interest earning periods** of one year each. There are two alternative index interest crediting methods under the Index Option.

Any interest credited under either of the alternative methods is limited by a current **annual cap** (“maximum index interest rate”). The **minimum annual cap** (the “lower limit of the maximum index rate”) is 2%. Caps are declared in advance of an index interest earning period and are guaranteed not to change during such period.

Index interest rates are determined as follows:

- g. **Annual Point-to-Point** (Alternative Method A) – The index interest rate is a portion of the percentage increase in the index for the index interest earning period, subject to a maximum of the current Method A annual cap. The portion is defined to be the participation rate, which is declared in advance.
- h. **Monthly Average** (Alternative Method B) – The index interest rate is a portion of the percentage increase in the index from the allocation date *at the beginning, to the average* of the indices on each of the next following 12 allocation dates, of the index interest earning period, subject to a maximum of the current Method B annual cap. The portion is defined to be the participation rate, which is declared in advance.

Under either Alternative Method A or B, the index interest rate for its interest earning period *will not be less than 0%*.

Interest Crediting Frequency

A fixed declared interest rate is credited *daily* to the Unallocated Interest Crediting Method and to the Fixed Option. Any interest attributable to a change in the index is credited *only at the end* of an index interest earning period. There is no guarantee that the index interest rate credited under either of the index interest alternatives will be equal to its cap or even greater than 0%.

Guaranteed Minimum Participation Rate

The **minimum participation rate** is 25% in most states.

Guarantee

The policy guarantees that the policy value will earn the equivalent of 2% annually at the time of termination and at the end of 5-year segments.

Death Benefit: There are two death benefit options available. Option A is a level death benefit; Option B is an increasing death benefit with the death benefit equal to the specified amount plus the policy value. The owner may request a change to this option or to increase or decrease the death benefit. If the owner requests a decrease, a surrender charge will apply if surrender charges are still applicable. A new schedule of surrender charges will then apply for the remaining surrender charge period and future premiums may be reduced. If the owner requests an increase, proof of insurability will be required, new surrender charges will apply to the increase for a 15 year period, and the base premium will be increased.

Surrender Charge: The surrender charge at issue or the surrender charge on any increase in coverage lasts for 15 years. Surrender charges are rates per \$1,000 of specified amount that vary by age, rate class and duration. They are level for the first 5 policy years and then grade linearly to 0 after 15 policy years.

Agents Products Quiz The Marquis Series of Products

A new 15 year period applies to increases in the specified amount, but will only be applied when the policy is fully surrendered or, in part, when the specified amount is decreased. .

Partial Surrenders: The minimum partial surrender is \$500. No partial surrender may reduce the net cash value below \$500. A \$15 charge will be made for each partial surrender. Withdrawals from the index option during the index period do not participate in any index interest.

Policy Value:

The **policy value** is the sum of the accumulated values of:

- i. The Unallocated Interest Crediting Method;
- j. The Fixed Option;
- k. The Point-to-Point Index Interest Crediting Method; and
- l. The Monthly Average Index Interest Crediting Method.

Expense Charges, Policy Fees and Administrative Fees

Charge	Maximum	Current
Expense Charge	5%	5%
Monthly Policy Fee	\$10	\$5
Administrative Fee		
Issue Ages		
0 to 30	\$0.42 All Years	\$0.20 1 st 10 Policy Years
31 to 40	\$0.42 All Years	\$0.18 1 st 10 Policy Years
41 to 50	\$0.42 All Years	\$0.16 1 st 10 Policy Years
51 to 60	\$0.42 All Years	\$0.14 1 st 10 Policy Years
61 to 70	\$0.42 All Years	\$0.12 1 st 10 Policy Years
71 to 85	\$0.42 All Years	\$0.10 1 st 10 Policy Years

Policy Loans: The policy provides for traditional-style loans, where policy value is not affected, but dynamic interest is charged to loaned amount.

Markets: Clients who purchase the Marquis Centennial IUL will need death benefit protection, desire cash accumulation in a life insurance product and want the premium flexibility that a universal life product can provide. They will be moderately conservative in the sense that they are looking for a product with potentially higher cash value returns than they may be able to receive from traditional fixed-interest universal life policies, but they will also be willing to assume the risk that their returns may not be as high as they might have received from a fixed-interest product. This is not the product to use if one is looking for a low premium permanent life insurance product.

Selling and Prospecting For Indexed Products

For a policy to be viewed as exempt from registration under the Securities Act of 1933, the policy cannot be marketed “primarily as an investment.” Based on guidance provided by case law and by the Securities and Exchange Commission¹, the Company suggests certain practical guidelines that should be followed by agents to avoid the possibility that a policy could be viewed as outside the scope of the exemption from registration under the Securities Act. We cannot emphasize too strongly that the manner in which a policy is marketed is a key fact and circumstance to be considered in determining the status of the policy under the federal securities laws. An insurance product may well be deemed to be a security if marketing emphasis is placed on the product’s investment aspects rather than its insurance aspects.

At a minimum, when selling and prospecting for an indexed product, agents should:

- Emphasize that the indexed annuity is designed as an appropriate planning vehicle for retirement income or to enhance overall retirement benefits.
- Emphasize the policy guarantees, including a guaranteed interest rate and guarantee of principal for indexed annuities.

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- Emphasized the long-term nature of the policy.
- Emphasize the annuitization benefits and options of the policy. Point out that the death benefit in the policy is not available with noninsurance products.
- Market an indexed annuity to retirement savers who seek the guarantees associated with a fixed annuity, but who also want the potential of a greater return, rather than to existing investors who want growth with a guarantee.
- If you refer to or discuss the S&P 500 Index, emphasize that it is merely a means to measure index return (i.e., excess interest, if any, above the guaranteed minimum interest) and not as a vehicle for complete participation in the stock market.
- Point out that for indexed annuities your prospect will not be taking any market risk on the principal, but that The Lafayette Life Insurance Company will stand behind the product with its guarantees.
- Make sure every prospect gets a copy of the point-of-sale piece, and that every applicant gets a copy of (and signs) (a) the Disclosure Statement and Benefit Summary form for indexed annuities, and (b) the illustration for indexed life policies.
- Make sure that the prospect understands all the guaranteed and nonguaranteed features of the policy to the best of your ability.

When selling and prospecting for indexed products, agents should not:

- State or imply that the Index return is in any way guaranteed.
- Place undue emphasis on the S&P 500 Index. It is solely a means by which The Lafayette Life Insurance Company will measure the index interest rate of your prospect's indexed product.
- Use terms such as "investment performance," "investment returns," "Wall Street" or "stock market."
- State or imply that using the S&P 500 Index ties the policy directly to the stock market.
- Provide a partial or a complete list of the stocks or companies that comprise the S&P 500 Index. (Providing such a list could give a false impression that the policyowner is indirectly investing in those stocks.)
- Emphasize the similarities of the policies to variable policies, mutual funds and other such investment vehicles. Rather, point out the differences and guarantees of indexed policies.
- Prepare or use your own sales materials, illustrations or advertising (including all pre-approach letters). All sales materials and advertising for the Marquis Indexed policies must be prepared and approved by the Company's Home Office.

¹ **SEC Proposed Rule 151A to Regulate Indexed Annuities as Securities**

On June 25, 2008 the U.S. Securities & Exchange Commission (SEC) released a new proposed rule which would establish new standards for determining whether an indexed annuity contract is a security under the Securities Act of 1933, requiring it to be registered and sold only by registered representatives. The proposed rule as it currently stands would not include life insurance contracts (ie: indexed universal life). It also would not appear to impact indexed annuities sold inside of qualified pension plans. The rule would apply prospectively only, meaning it would apply to indexed annuities that are issued on or after the effective date of the final rule. A final rule, if adopted, would be published after the close of a public comment period which was extended to November 17, 2008. The effective date of any final rule would be a date that is 12 months after it is published. The earliest a final rule would be effective is Nov. 2009. Lafayette Life has submitted comments to the SEC during this comment period. The proposed rule is likely to be revised following the comment process. The final version of the rule and its application will not be certain until it is adopted and published by the SEC. Lafayette Life will continue its indexed annuity sales as usual while this process unfolds. We believe that our indexed annuities are valuable products that meet the needs of many consumers. This is a brief summary of parts of the SEC release and of Lafayette Life's current plans and is not intended as legal advice. To view the entire SEC release (96 pages) and related information go to www.sec.gov for release no's. 33-08933 and 34-58022 for 2008 proposed rules.

Please retain pages 1 -14 for your information and records.

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Agents Products Quiz
The Marquis Series of Products

Review Quiz: True or False

- ___ The Marquis Annuities and Marquis IUL are fixed insurance products and are not securities.
- ___ The minimum premium for the Marquis Annuities is \$1,000 per year (\$84 automatic monthly withdrawal from checking option).
- ___ The minimum premium for the Marquis Centennial Group is \$1,200 (\$100 automatic monthly withdrawal from checking option).
- ___ The current fixed interest rate applied to the first premium allocated to the fixed option is guaranteed for one year. The current fixed rate for subsequent premiums may be different.
- ___ With each premium payment you may choose between a fixed interest rate and/or index interest rate alternatives linked in part to changes in the S&P 500[®]. The Marquis Flex & Marquis Advant-Edge uses the Annual Point-to-Point index crediting method. The Marquis Centennial Annuity offers three index interest methods: Annual Point-to-Point, Monthly Average and Monthly Cap.
- ___ The Marquis Centennial Index Universal Life has two indexing Options: Annual Point-to-Point and Monthly Average.
- ___ Once the index interest rate has been determined it is applied to that premium and the resulting amount is included in the policy value.
- ___ Lafayette Life declares the cap(s), which is used to set the upper limit on the index interest rate.
- ___ The policy will be dated on the date when the initial premium is received.
- ___ The Group Marquis Centennial Annuity has benefit sensitive withdrawals.
- ___ Transfers from one interest crediting method to another will be effective on the 15th of the month on or following the premium anniversary.
- ___ The Group Marquis Centennial Annuity has the same rates/caps as the individual Centennial 10.
- ___ All withdrawal charges date from the date of the contract and not from the date of the receipt of premium.
- ___ All or some of each withdrawal is subject to income taxes and if withdrawals are taken before age 59 ½, they may be subject to a penalty tax.
- ___ Withdrawals from the Indexed Option prior to the end of the index interest earning period will not be credited with any index interest.
- ___ The Marquis Flex, Marquis Advant-Edge and Marquis Centennial Annuities have different withdrawal charge schedules as well as different guarantees as stated in their respective contracts.
- ___ After the first policy year, the automatic withdrawal of interest earned on the annuities may continue, or up to 10% of the beginning of year policy value may be withdrawn without a withdrawal charge as long as withdrawal charges are still applicable.
- ___ Regardless of the performance of the S&P 500 Index, the policy value of the Marquis Centennial IUL is guaranteed to earn the equivalent of 2% annually over each 5 policy year segment.

Agents Products Quiz
The Marquis Series of Products

- _____ Under Internal Revenue Code Section 72(s)(3), if the designated beneficiary under the policy is the surviving spouse of the owner/annuitant, and the owner/annuitant dies prior to the maturity date of the policy, then the surviving spouse may elect to treat the annuity as her/his own and continue to defer instead of taking distribution of the death benefit.
- _____ The Marquis Centennial IUL offers the safety of the No-Lapse Guarantee as a standard policy provision.
- _____ The minimum fixed interest rate is 1.5% for each premium allocated to the Fixed Option on the Marquis Centennial Annuity.
- _____ The minimum fixed interest rate is 2.0% on the premium allocated to the Fixed Option on the Marquis Centennial Universal Life Policy.
- _____ The Group Marquis Centennial Indexed Annuity product is only available for pension plans.
- _____ The guaranteed minimum surrender value on the Marquis Centennial Annuity is 90% of all net premiums (less any withdrawals) accumulated at 3% interest.
- _____ The Marquis Centennial Annuity and the Marquis Centennial Index Universal Life Index Interest Crediting Method of Annual Point-to-Point is measured by calculating the percentage of change in the S&P500[®] index from the beginning of the interest earning period to the end of the interest earning period limited by the applicable cap.
- _____ The Marquis Centennial Annuity and the Marquis Centennial Index Universal Life Index Interest Crediting Method of Monthly Average is measured by calculating the percentage of change between the S&P500[®] index at the beginning of the interest earning period to the average of the 12 monthly S&P500[®] indices on the allocations dates immediately following the beginning of the interest earning period limited by the applicable cap.
- _____ The Marquis Centennial Annuity Index Interest Crediting Method of Monthly Cap is measured by calculating the sum of the percentage of change in the S&P500[®] index for each of the 12 one-month periods within the interest earning period. Each monthly percentage increase is capped at the declared monthly cap rate; each monthly decrease is included in its entirety.
- _____ Under each Index Interest Crediting Method for the Marquis Centennial Annuity (Annual Point-to-Point, Monthly Average, Monthly Cap) the interest rate credited at the end of the interest earning period is the index interest rate. This rate will not be less than 0% for an interest earning period. Any index interest is added at the end of the interest earning period.
- _____ A client who purchases the Marquis Centennial IUL has a need for death benefit protection, and cash value accumulation with a minimum interest rate guarantee.
- _____ Before any premium can be transferred from or allocated to an interest crediting method for the Marquis Centennial IUL, the accumulated value in the unallocated option must exceed 12.5 times the monthly expense plus \$50.00. At that time any excess over the 12.5 times the monthly expense will be allocated to the index crediting methods according to the current allocation percentages.
- _____ If premium paid to the Marquis IUL is applied to the indexed option, returns are calculated based on the S&P500[®] subject to participation rates and caps and using the same annual reset method as the Marquis Flex and Marquis Advant-Edge Annuities.
- _____ The surrender charge on the Marquis IUL varies by age and underwriting classification, and it is deducted from the policy value to determine the cash value of the policy, but will only be applied when the policy is fully surrendered or, in part, when the specified amount is decreased.

